



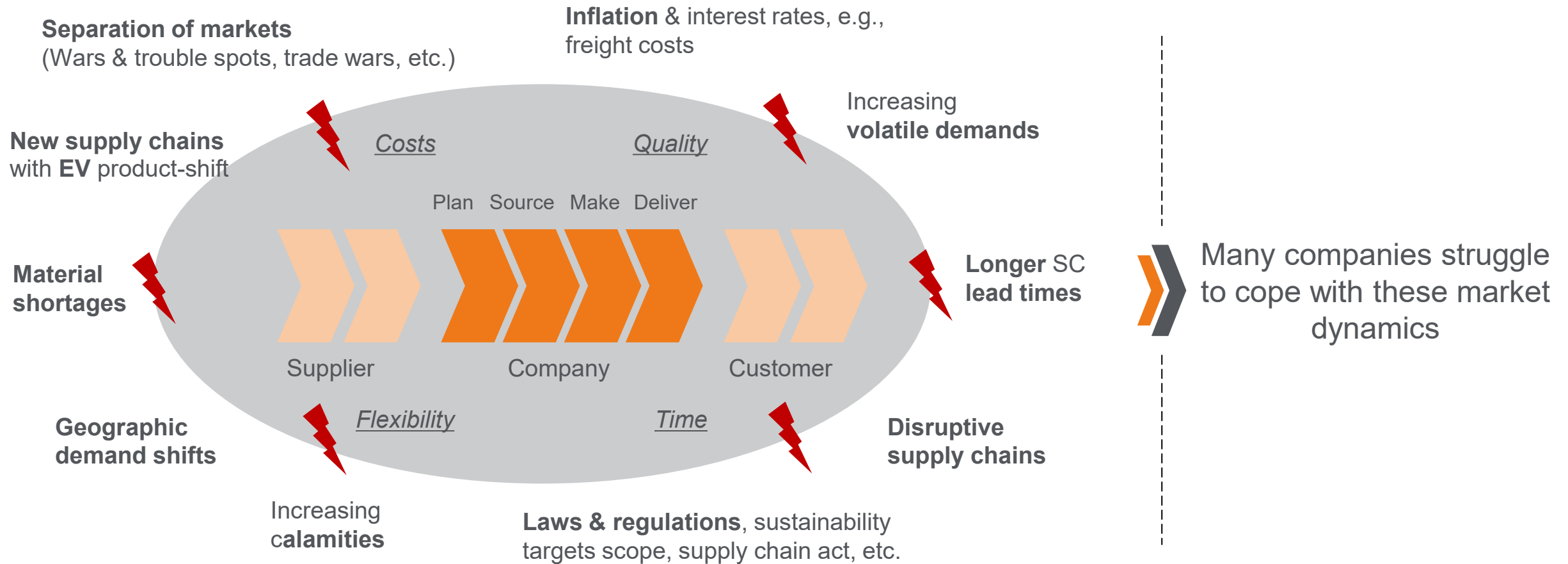
SUPPLY CHAIN PLANNING & EXECUTION

A data-driven optimization approach

 **EFESO**
MANAGEMENT CONSULTANTS

SUPPLY CHAIN MANAGEMENT
INSIGHT

Supply chain management is becoming an increasingly difficult task due to new market dynamics



Our insight is that the current market challenges reveal structural weaknesses, which lead to a weakened liquidity and competitive position

 **Most common weaknesses in SC planning and execution**

 **Impact**



Lower customer demand fulfilment (service level)

Increasing inventories

Higher freight cost

Higher capital cost

Weakens cash & competitive position



To overcome the challenges, rapid adaptation in SC planning and execution is key.



We have identified five core elements as success factors for handling new market dynamics



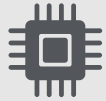
The solution: integrated SC planning and execution



Real-time visibility



Essential for quick issue identification and responsive decision-making



Advanced technology integration



Leverage AI, ML, and predictive analytics for intelligent and adaptive SCM



Collaborative platforms



Seamless communication among SC partners for quicker and more effective adjustments



Dynamic planning models



Implement agile planning models for swift adaptation to changing conditions



Integrated data architecture



Eliminate data silos to enable a holistic view and data-driven decisions



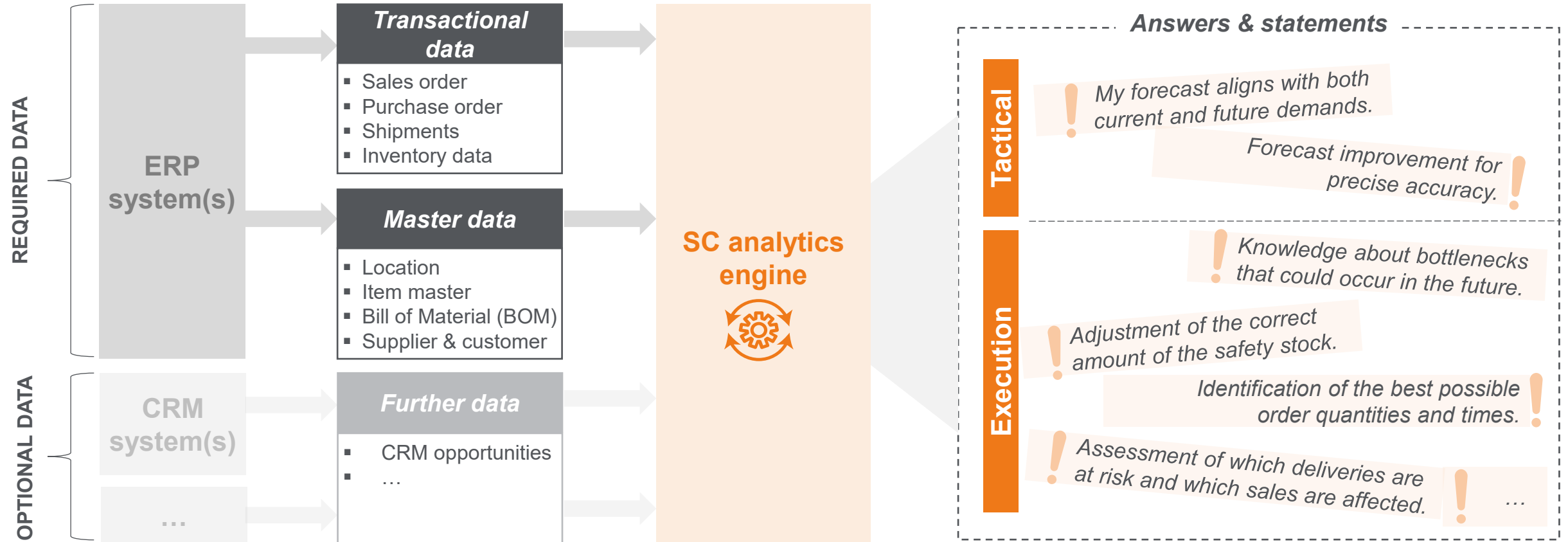
Our integrated SC planning and execution solution is based on real-time processing of relevant SC data.



To increase the ability to react to unforeseen events, SC data should be analyzed in real time and processed sensibly to identify areas for action

 Data input

 Supply chain optimization



 Professional tools and supply chain specific know-how is required to identify, implement effective, and efficient actions.



With our SCM software and network of partners, EFESO clients achieve their goals



EFESO

- Long-standing experienced management and technology consulting
- Well established track record of delivering some of the most complex programs across sectors
- Leading brand for holistic innovation, operations strategy and performance improvement



SCM execution software

- Intelligent supply chain advisor that uses linked ERP data and AI algorithms to make integrated & automated SC decisions
- With improvement suggestions, actions are guided, adjusting the necessary parameters in the ERP system to holistically improve the supply chain KPIs



Benefits



Improved planning accuracy



Bottleneck reduction



Inventory reduction



Increased transparency on deliveries & KPIs



Integrated operations – from customer to supplier



Increased process efficiency



EFESO's five-step approach leverages our strengths and software to achieve a potential 40% reduction in loss sales caused by supply chain events

Activities
EFESO

1. Scope & data collection

- Kickoff to align on proof of concept
- Gather relevant data from customer
- XLS-sheets available incl. required data structure



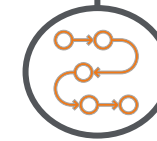
3. Validation & quick wins

- Review identified measures and presentation for the customer
- Alignment & handover for validation
- Implement validated measures as quick wins



5. Processual anchoring

- Review and adjust existing processes
- Elaborate process adjustments to ensure long term success



Activities
software provider

2. Data analytics & calculations

- Integration of first data
- Calculation of supply chain KPIs
- Identification of measures



4. Implementation

- Implementation of optimizations incl. complete data structures
- Connection to SAP, TMS, MES, and other relevant systems



Data driven supply chain optimizations – tactical & operational



Targets are met using the combination of supply chain subject matter experts and analytic tools.



Project example: our approach resulted in reduced bottlenecks, optimized inventory, and fewer firefighting activities



Initial situation

- OEM in machinery industry, turnover >1b€
- Firefighting activities caused by SC events
- Bottlenecks impacted by inaccurate planning forecasts, which results in frequent planning changes and supplier issues
- SC issues occur frequently, inventory levels are constantly rising
- ➔ Identify root causes based on available data to increase planning agility, risk mitigation and personal planning effort

Approach / method

- Gain transparency about future bottlenecks
 - Execution of a risk assessment
 - Data analytics for predictive modeling
 - Scenario simulations and lever identification
- Improve inventory levels
 - Demand forecasting optimization
 - Supplier collaboration for efficiency
 - ABC/XYZ & Safety stock analysis
- Reduce firefighting activities
 - Implementation of data-driven decision-making and technology-based approach

Customer value added



Over 2.000 improvement ideas identified



Up to 40% reduction of sales losses due to SC events



Planning effort reduction up to 10%

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